

IMPACT DEVELOPMENT GROUP INC. PROVIDES CORPORATE UPDATES ON ACTIVITIES IN PANAMA

TORONTO, Ontario – December 13, 2024 - Impact Development Group Inc. (TSXV: “**IMPT**”) (“**Impact**”, or the “**Company**”), a leading Panamanian developer of affordable housing solutions, would like to provide updates on its activities in the Republic of Panama in connection with the Housing Solidarity Subsidy (the “**Program**”) which governs subsidies issued in connection with homes built for social interest purposes.

On July 1st, 2024 the Ministry of Housing and Land Management (“**MIVIOT**”) commenced a comprehensive review of the Program and other subsidies issued in connection with homes built for social interest purposes. MIVIOT has since paused the approval of subsidies in connection with the building and delivery of new homes, and the Program has lapsed effective June 30, 2024.

Since August, MIVIOT has maintained a working group with housing developers across the country, generating several proposals for alternatives to the Program, all of which remain under review and have not yet been implemented. There has been no indication from the government of Panama that the Program will be resumed. MIVIOT is currently continuing to honor payments for homes that received certification pursuant to the Program prior to June 30, 2024.

As of the date of this news release, the Company has a total of 125 homes that are pending subsidy payments or certification under the Program and 171 homes in inventory, either completed or under construction, that have not yet received MIVIOT subsidy certification under the Program. It is unclear if 171 of those homes will ever receive MIVIOT certification to receive subsidies pursuant to the Program.

Given the current circumstances, the Company has been evaluating its strategic objectives as they relate to its operations in Panama to focus on the delivery of existing inventory, pause all new development, and consider opportunities to diversify the Company’s business. In alignment with this proposed strategy, the Company recently completed the acquisition of Fusion Software, LLC (“**Fusion Software**”), a leading US-based platform for managing low-income housing tax credit portfolios for housing developers, syndicators and investors. This acquisition marks a significant milestone in Impact’s commitment to affordable housing solutions and expands the Company’s capabilities in other markets. For further details regarding the acquisition of Fusion Software, please see the Company’s news release dated October 25, 2024.

To continue growing and diversifying the business, the Company is evaluating initiatives peripheral to building affordable homes under the Program. This includes evaluating options to expand into new residential or commercial development activities outside of the Program. Any new initiative pursued by Impact will seek to leverage its core competencies developed over the 11 years of its operational success in Panama. Other strategies currently under evaluation by the Company’s management include geographic expansion to adjacent markets with similar programs and the diversification into new technology-enabled revenue streams in affordable housing. Any material change to the business following the conclusion of the Company’s evaluations will be conducted in accordance with applicable securities laws and regulations of the TSX Venture Exchange.

ABOUT IMPACT

Impact is a Panamanian based real estate developer that provides affordable housing solutions to Panama's growing middle-class and has historically been supported by longstanding subsidized government programs in Panama. The vision of the Company is effectuated by a vertically integrated model which coordinates all services necessary to develop high-quality residential and commercial buildings, including land acquisition, financing, architectural, engineering, off-site manufacturing, general contracting, property management, and administration. Impact also operates, through its subsidiary, Fusion Software LLC, an innovative software platform designed to streamline the administration of low-income housing tax credits for asset managers, developers and syndicators.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information, please contact:

Tom Wenz, Director and CEO
Phone: + 1 (702) 329-8038
Email: twenz@ihcpanama.com

FORWARD LOOKING STATEMENTS

This press release contains certain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. Wherever possible, words such as "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict" or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. Forward-looking statements in this press release include, but are not limited to, statements relating to the Company's business activities in Panama; the Company's plans to continue growing and diversifying the business; the Company's 125 homes pending disbursement of the subsidy or approvals from the Program; and the Company's plans to evaluate its business in light of the recent changes to the Program.

The forward-looking statements, while considered reasonable by the Company, are inherently based upon assumptions that are subject to significant risks and uncertainties, including, but not limited to, the Company being able to carry out its business plan as contemplated; the Company's ability to grow and diversify its business; the Company's 125 homes pending receipt of disbursements of subsidies or approvals under the Program; and the Company's plans to evaluate its business in light of recent changes to the Program. Although the Company believes that the expectations reflected in forward-looking statements are reasonable, they can give no assurances that the expectations of any forward-looking statements will prove to be correct.

Such statements and information reflect the current view of the Company. Risks and uncertainties exist that may cause actual results to differ materially from those indicated or implied in the forward-looking statements and information. Such factors include, among others: the limited business history of the Company; the Company's reliance on key management; risks related to the Company's growth

strategy, including that previous and future acquisitions do not meet expectations or potential acquisitions cannot be completed; the Company's 125 homes not receiving disbursements of subsidies or approvals under the Program; the business of the Company being subject to broader economic and political factors, including but not limited to decisions made by the government of Panama; disruptions or changes in the credit or security markets; financial results of the Company's operations; unanticipated costs and expenses; and general market and industry conditions.

The forward-looking information contained in this press release represents the expectations of the Company as of the date of this press release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, it does not undertake to update this information at any particular time except as required in accordance with applicable laws.